

is acknowledged upon the execution of this Agreement, and the balance of which shall be paid as follows: The sum of \$1,000.00 on the 10th day of October, 1954, and the sum of \$125.00 per month beginning one month from the date of this agreement, and continuing on the same day of each and every month thereafter until the principal balance shall be paid in full. The Vendee agrees to pay interest at the rate of four and one-half per cent (4 $\frac{1}{2}$ ) per annum on the unpaid principal balance, said payment of interest to be paid monthly with the payment on the principal. The Vendee reserves the right to accelerate the principal payments or to pay the entire principal balance in whole or in part, at any time, without penalty.

It is mutually understood and agreed that the down payment herein, as well as any payments made on the principal balance, shall be made payable to Guy C. Kline and Orion A. Holte, Attorney, with the understanding that said payments so made shall either be paid to the Internal Revenue Service in liquidation of any claim or claims which the Internal Revenue Service may have for income taxes, interest and penalties on assessments now made, or that said funds shall be held in escrow by said parties and turned over to the said Vendors only after the said Vendors have exhibited satisfactory evidence to Richard E. Zimmerman, counsel for the Vendee; that any and all claims of the Internal Revenue Service for taxes, interest or penalty on claims now pending or assessments now made, shall have been paid or satisfied in full. In the event any claims for Federal Income Taxes, penalty or interest now pending by the Federal Government on the part of the Vendors shall have not been paid and settled within one year from the date hereof; then all sums so held in escrow, if any there be, shall be immediately paid to the Internal Revenue Service and any and all monthly payments, including principal and interest, thereafter made under the terms of this contract, shall be paid monthly by the Vendee herein unto the Internal Revenue Service in liquidation of and reduction of any claim for Federal Taxes, penalty and interest now pending between the Internal Revenue Service and the Vendors, or either of them. In the event a Federal Tax Lien on a tax claim now pending shall be filed against the Vendors, or either of them, in that event, any sums held in escrow as hereinabove provided shall be immediately paid over to the Internal Revenue Service as a deduction against the